

Town of Plymouth

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Board of Finance

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1. The Special Meeting of the Town of Plymouth Board of Finance was called to order on Thursday, May 10, 2012 at 7 p.m. by Chairman Ralph Zovich in the Senior Lounge, Plymouth Town Hall. Members in attendance: Pat Budnick, Mike Drozdick, Dan Murray, Ralph Zovich. Also present: David Bertnagel, Director of Finance; Mayor Vincent Festa; Robin Gudczauskas, Recording Secretary and DiAnna Schenkel, Council Liaison. Excused absent: Vicky Carey.

2. Pledge of Allegiance

2. Discuss & Take Action to set May 21, 2012 as the date for 2nd Public Hearing on proposed FY2012-13 General Fund Budget. Chairman Zovich distributed section of Charter, reviewed and read excerpts into record noting when count out 20 business days it must take place on or before May 31 and reviewed requirements for legal notice (s). Discussion held.

MOTION: To set the public hearing on the 17th of May in the Community Room at 7 p.m. by Peter Cook; second Dan Murray and the vote unanimous.

3. Review and discuss possible changes (if any) to proposed FY 2012-13 budget using document dated 4-23-2012 as baseline.

a. Identify areas for potential reductions in expenses or increases in revenues

Chairman Zovich reviewed email from Vicky Carey relative to town employee layoffs or furloughs, reduce Board of Education by a maximum of ½% or \$110,000 and/or reductions in capitals. Questions: Can we build highway garage with LoCIP money; Dave Bertnagel stated we can; layoffs – all members in favor of looking at it; reduction to Board of Education – all members stated no; reduction of capital outlays or change financing arrangement if go to 3 year financing terms vs. 2 year it would save \$50,000 -\$75,000 and other option to cut highway garage, make smaller - discussion held to spread over 3 years, use \$50,000 of LoCIP funds; question reducing computer upgrades from \$100,000 to \$75,000. Dave Bertnagel stated he has gone through budget, no fluff on town side, the Board has cut and now it is positions and programs. Capitals; debt service take \$100,000 out and make 3.1. Dave stated in budget for new highway garage there is \$150,000 of debt service money being used and to use \$50,000 of debt service and Pat suggested taking \$50,000 from town aid roads to make even \$100,000 and then spread remainder out of remaining years. Discussion held on town garage. Pat Budnick does not feel garage is bone of contention but seniors were assuming their taxes were going up and not aware that there could have been a cost savings. Garage is a safety issue and a necessity. Discussion on computer upgrades with last update was 2000. Review of capitals held. Take \$50,000 from LoCIP town aid and put to garage leaving \$48,000 in town aid to roads.

MOTION: To lower Town Aid Road from recommended \$450,000 to \$400,000 and reduce funding source of LoCIP to \$48,000; highway garage at \$425,000 and change funding source from finance purchase and lower to \$375,000 and LoCIP \$50,000 and no change to capitals by Peter Cook; second Mike Drozdick. Discussion: none. Vote: unanimous.

MOTION: Debt Service principal, line item 120, Leases and Short Term Financing, \$1,264,195 becomes \$1,164,195. Total Debt Principal payments from \$2,499,195. Debt Service, 2013 leases, \$425,000 will be lowered to \$375,000 as result reduce principal amount to \$50,000 and total Debt Service of \$50,000 for lease purchases and out years would be \$325,000 and would reduce debt from \$3.2 million to \$3.1 million by Pat Budnick; second Mike Drozdick. Discussion: none. Vote: unanimous. Ralph noted there is less money to work with and to fix things.

Layoffs/furloughs – Parks and Rec., Public Works by one. Dan Murray, we have not even set number looking for to adjust; financial responsibility suggests if it failed, why. Dave Bernagel stated since vote there is a consensus of 50/50 with some saying town side is too low and some saying it is too high majority said budget is perfect and didn't bother to vote because thought it would pass. Discussion held.

Dave Bernagel distributed and reviewed information on ECS grant noting Plymouth will get \$133,000 and because BOE has zero increase we must increase their grant revenue by \$133,000; reductions allowed for fewer students up to max of .5% of total appropriation or \$110,000. Pattie DeHuff, do you have to accept the money; Dave, if you don't accept you can be penalized. He sent this to Mike Santogatta and appropriation would go in and BOE will have to adjust their budget and put into line items they see fit on their side. Bottom line budget of town will increase. \$133,560 is final number. Discussion held noting revised budget must show in bold where ECS increase is so that people can see revenue offsets.

MOTION: To increase the ECS revenue and BOE by \$133,560.00 with net effect of zero by Pat Budnick; second, Mike Drozdick. Discussion: none. Vote: unanimous.

Peter asked if furloughs are possible; Dave it has to be negotiated by contract noting police department cannot be done because they are a public safety entity and only clerical can be done and have public works people which will have to be negotiated. Ralph reviewed past discussions on furloughs which came out to \$12,000 savings; risk of furloughs going to arbitration. Dave will have analysis on layoff savings for 50,000 and 100,000 and number of people.

Revenue – no changes at this point. More money in legal services to go forward with more foreclosures.

b. Update on format & content of budget presentation – Ralph will go through back page, redo cover and mill rate calculation, ECS and revenues. Discussion on how to explain whether taxes will decrease, and by how much on average, or increase, how much on average. Pat Budnick to prepare assessment documentation as worksheet. Dave noted due to turnout and the number of people who were unaware of referendum taking place to vote and looked at cheapest and most cost effective way to notify people. Looking at getting postcards saying reminder of referendum on this date and time, to go

bulk mail and would like to try for next two referendums with cost of \$1200 noting there is money in postage account to do that; discussion held.

5. Public Input

a. Melanie Church, 328 Main Street, Terryville – (a) distributed information stating it is from former bond counsel and Mayor Covello feels this garage is a capital which has to go under bonding so it needs to be removed from this budget completely. This information was requested by Richard Covello on bonding issues and expenditures, read into record. This is a capital project and we have 1.6 million in unassigned fund for cap projects; Chairman Zovich stated it is \$1.6 million in General Fund as unassigned fund balance. Capital projects fund has deficit as money is due to it. (b) should put enough money in there to have design done and then send out and have referendum on it; this is something new being done and people want to have a say. Would like to take garage out, put in for design and bring back for referendum and that is savings of 425,000.

Chairman Zovich clarified that this project is not being bonded, reviewed, even though the Charter says you can bond over \$150,000 and if you choose to bond over 150,000 it must go to referendum. This is going to a referendum, a budget referendum, and since not bonding but short term financing it carries same legal weight and authority. If the public wants to break it out it needs to go to Council who needs to approve a bond resolution.

b. DiAnna Schenkel, Town Council liaison to the BOF, have been with the BOF 5 years and in those years cut fat and lean. You have lean managed to point where you are anorexic and can only do so much. Concerned tonight that you are forgetting a major factor occurring; we are depending directly from the State of CT who is dependent on funding from federal government and we have a worldwide economic crisis. Here we all survive, we survive based on funding that trickles to our town and we have been hit and with that depreciation and reval that directly affected every citizen. You need to understand you said it is perception vs. reality. An estimate was done with a reasonable goal to replace a building from 1941; an estimated value of a safe, reasonable building replacing an existing structure not a wish list. Software can't be supported by our computer system, if you take away an element public works needs to support what they do and talk about laying off people and way to start hacking away but you are then hitting revenues. If you lay off in town hall who will collect or issue permits. We are so lean in so many ways and one person's salary is a drop in the bucket. Perception of figure of 35 mils in someone's head is causing a panic; love idea of template. You did a few actions tonight to help offset cost but she would have stayed exactly where it is; you have eliminated as much as you possibly can. Need to say this is the reality of it. Suggest listen to public comments of which there will be negative and there will be pro and people need to stop listening to mis-perceptions.

c. Pattie DeHuff, 20 Lynn Avenue, listened tonight and behavior is intimidating people to speak out and wish more people would speak. You had a suggestion from Peter to make really simple and suggests somebody on board make a motion that Peter be the one who gives the presentation and could be a joint venture with Pat. This is your board and the chairman is supposed to run meetings but does not have to run public hearing. Chairman Zovich asked if Peter if he would like to do presentation; Peter stated no and stated the Chairman has encouraged and invited the Board to speak. (b) \$1200 for postcard; is that for the budget referendum; Dave Bertnagel, each for referendums we will have.

- d. Ernest Pickhardt, 3 Burger Road – impressed by the efforts you have made and think the Chairman has done a good job of trying to keep meeting on track and in fact surprised how well you did; happen to know the Chairman well enough and does not feel offended; as a senior member of community when say information in the paper about what will happen to mill rate can understand it might be confusing and went to town website, clicked on link and was quickly able to pick former assessment and new and both numbers there side by side and immediately know effect. The majority of seniors in town have same computer access and not a young person's realm anymore and those not on line need to be informed on where to get information and idea of a form is great. Presentation, appropriate for the Chairman to lead the presentation and perfectly appropriate for the Chairman to designate some portions of presentation to other members of the board. He did not vote because he completely forgot about it and idea of a postcard is a very good idea. Regarding Parks and Recreation, do not care how badly off or worse off we are, the more we need a place to go and get away from it and relax and we are talking about adding to park properties and we cannot afford to cut.
- e. Pattie DeHuff, remind you this is a public hearing and that means your job is to hear what we the public has to say whether you like it or not and majority of time should be spent on listening. You have explained it, it has been in papers, let people speak because no one person knows everything. Feels the board has an attitude that people should be grateful of taxes going down and critical if people vote no and taxes go down more.
- f. Ernest Pickhardt, agree with Pattie that the primary purpose of a public hearing is hearing the public and information you need to present is information needed for the public to comment on because they don't have all the information.

6. Board Member's Comments

- a. Pat Budnick, she is listening and do want to hear from everyone and some will just not get up in front of a microphone and is there a way we can have forum at entrance way for people to write down questions or input. Dan Murray stated it is a good point that some people are uncomfortable with public speaking and open ended survey might not be a bad thing and can gather documents from box. Discussion held on putting survey form on website.
- b. Peter Cook - each of us on the Board fills a niche and has a certain area good at and Ralph is a detail man and in the right place.

7. Adjournment

MOTION: To adjourn by Pat Budnick; second Peter Cook and the vote unanimous.
Meeting adjourned at 9:15 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary